



## 2 of the Best TSX Stocks for New Investors

### Description

New investors should try and keep things [simple](#) with their portfolios, at least to start. Although the appeal of assets like **Bitcoin**, **Dogecoin**, **Litecoin**, and any other sexy investment is appealing, they're notoriously difficult to understand. How many people invested in cryptocurrencies and blockchain can explain what they're betting on and how the underlying technology works? Not many, I'd bet.

Instead of betting on the hottest technology at any given moment, it may prove to be [smarter](#) to invest in what you know. Warren Buffett is a huge fan of staying within his own circle of competence. While he may miss out on opportunities by playing it safe and sticking with what he knows, he won't be left confused should the tides turn on an asset he's invested.

Once the going gets tough, you have to know what to do. And it's hard to know what to do when Bitcoin or anything similar takes a 20% plunge on news that probably shouldn't have been as material.

For new investors, easy-to-understand **TSX** stocks are best. And in this piece, we'll have a look at two of the simplest businesses that may be worth buying on strength.

### TFI International

**TFI International** ([TSX:TFII](#))([NYSE:TFII](#)) is in the business of less-than-load trucking. In simple terms, it moves goods from one place to another, and it does so quite efficiently.

Undoubtedly, the company has gained attention in recent months for taking off in a parabolic fashion on the back of the economy's recovery. In many prior pieces, I urged investors to load up on the name before investors had a chance to fully appreciate the business and the incredibly favourable macro backdrop.

After soaring 424% off those March 2020 lows, TFI seems like a glowing TSX stock that you may have missed. The cyclical upswing has likely been baked in at these levels. That said, I still think the \$13 billion company still has room to run, as demand for trucking services is unlikely to wane anytime soon.

The stock trades at just 2.1 times sales, which is still ridiculously cheap in my books for a firm that's demonstrated its resilience through the worst of times. If you're a new investor looking for a low-cost way to play roaring demand in what could be the "Roaring 20s," TFI is still worth buying at near the \$140 mark. Yes, there's considerable momentum behind it, but things are looking that good for the firm that's really turned a corner over these past few years.

## CP Rail

**CP Rail** ([TSX:CP](#))([NYSE:CP](#)) is a transcontinental railway that's another great way to play the transportation of goods across North America. Unlike TFI, CP Rail stock has been quite sluggish in the first half, trailing the market with just 5% in returns year to date. I think the relative laggard could be about to pick up traction as investors move on from the potentially failed pursuit of **Kansas City Southern** to continued carload recoveries.

After clocking in 21% in year-over-year top-line growth in the second quarter, things are really starting to looking up for the second half. As COVID-19 headwinds fade, I'd look for the TSX stock to start moving much higher, and new investors would be wise to punch their ticket before more solid quarters move the needle higher on the name.

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joefrenette

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